



MEDIA RELEASE

STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION

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Water and Wastewater Construction Loans Awarded *Low-Interest Loans Help Fund Infrastructure Improvements*

NASHVILLE - Governor Phil Bredesen has announced that two communities and one utility district will receive low-interest loans totaling more than \$10 million from the State Revolving Fund Loan Program to fund much needed water and wastewater construction projects. The Department of Environment and Conservation administers the SRF Loan Program for the state of Tennessee.

"The State Revolving Fund Loan Program is an important tool for local governments and utility districts to address current infrastructure needs and prepare for the future," Bredesen said. "I am very pleased to see the program supporting these water and wastewater projects for their local communities."

SRF loan recipients, whose loan amounts and projects are detailed below, include the Bon Aqua-Lyles Utility District and the cities of Lebanon and McMinnville.

"Community investments in our drinking water and wastewater systems are vital to maintaining environmental and public health," Environment and Conservation Commissioner Jim Fyke said. "These loans will help keep our communities moving forward."

The SRF Loan Program provides low-interest loans that help communities, utility districts and water and wastewater authorities finance projects that protect Tennessee's ground and surface waters and public health. Loans are used to finance the planning, design and construction of water and wastewater facilities. Through this program, communities, utility districts, and water and wastewater authorities can obtain loans with lower interest rates than most can obtain through private financing. Interest rates for the loans can vary from zero percent to market rate based on each community's economic index.

The funding order of projects is determined by the SRF Loan Program's Priority Ranking Lists that rank potential projects according to the severity of their pollution and/or compliance problems and for the protection of public health. Through 2008, the U.S. Environmental Protection Agency provided seed money for the SRF Loan Program, and the state provided matching funds. Loan repayments are returned to the SRF Loan Program and used to fund future projects.

The following recipient received the SRF Wastewater Loan:

- **Lebanon, Wilson County** - A \$6 million increase to an existing 20-year loan with an interest rate of 2.20 percent for the Wastewater Treatment Plant upgrade and expansion from 7.5 million gallons per day to 10 MGD; and to construct approximately 3 miles of 30-inch diameter effluent force main to manage and convey peak flows and to improve the quality of the plant effluent.

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SRF Drinking Water Loans awarded today included the following recipients:

- **Bon Aqua-Lyles Utility District, Hickman County** - A \$1 million increase to an existing 20-year loan with an interest rate of 1.21 percent for the construction of Phase I water system improvements at the existing Water Treatment Plant site and for the construction of portions of the Phase II water transmission lines.
- **Lebanon, Wilson County** - A \$900,000, 20-year loan with an interest rate of 2.45 percent for the construction of a water booster station and approximately 3,000 linear feet of 12-inch diameter ductile iron pipe water lines in the South Hartman Drive area - creating additional looping in the distribution system in order to equalize waterline pressures and provide a more reliable supply of water to the area.
- **McMinnville, Warren County** - A \$2.2 million, 20-year loan with an interest rate of 1.84 percent for Water Treatment Plant improvements and upgrades at the existing Water Treatment Plant site, including new above-ground high service pumps and appurtenances.

Since its inception in 1987, Tennessee's Clean Water State Revolving Fund Loan Program has awarded nearly \$960 million in low-interest loans. Since its inception in 1996, Tennessee's Drinking Water State Revolving Fund Loan Program has awarded more than \$116 million in low-interest loans. Both programs combined award approximately \$75 million annually to Tennessee's local governments for water and wastewater infrastructure projects.

Any local government interested in the SRF Loan Program should contact the State Revolving Fund Loan Program, L&C Tower, 8th Floor, 401 Church Street, Nashville, TN 37243, or call (615) 532-0445. Information about the SRF Loan Program may be found online at www.tn.gov/environment/srf.

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